

DECADE IN REVIEW

Nashville strikes a new chord

Corporate relocations, industry growth define decade of transformation for Middle Tennessee

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From an economic development perspective, the first decade of the 21st century in Middle Tennessee was marked by blue-collar losses and corporate relocations. Could the next 10 years be defined by solar energy and electric cars?

Recent years have been dominated by bad economic news. Middle Tennessee has lost jobs in nearly every occupational category. In this final year of the decade alone, the metropolitan area lost about 30,000 private sector jobs. The metro area's unemployment rate, which stood at 3.4 percent when the decade began, now hovers above 9 percent.

But despite a gloomy close, local officials say the decade overall was a good one for the region and has left Nashville well positioned for the future.

"I think you would have to say, overall, Nashville's story has been a very positive story," Nashville Mayor Karl Dean said. "... There is a strong story to tell, and I love doing it."

Proposals for a new convention center and a medical trade center downtown are being touted as boons to the existing health care and tourism industries going forward, and growth industries such as higher education, renewable energy and professional services have gained a foothold here as well.

Losses have centered around the manufacturing industry, including major downsizing at the General Motors Corp. plant in Spring Hill and the loss of Peterbilt's truck assembly plant in Davidson County.

Those two losses alone represent about 9,000 jobs, but the long-term statistics back the positive assessment of the decade. From January 2000 to October 2009, the number of non-farm jobs in the metro area has increased from 683,700 to 727,500, a gain of 6.4 percent.

Manufacturing was the most glaring exception. Jobs in that category fell 33.4 percent, from 95,400 to 63,400. But manufacturing losses have been covered by gains in other sectors. Employment increased 39.4 percent in educational and health services, 20.4 percent in leisure and hospitality, and 9.8 percent in professional and business services.



Photo Courtesy of Nissan

Often touted as Middle Tennessee's biggest economic development coup of the decade, Nissan North America moved its headquarters from California to Williamson County in 2006.

By near consensus among officials interviewed by the Nashville Business Journal, the biggest economic development coup of the decade was the relocation of Nissan North America's headquarters from California to Williamson County — if not in terms of jobs, then certainly in terms of notoriety.

"It's marketing you could never pay enough for when a company makes that kind of decision," said David Penn, director of the Business and Economic Research Center at Middle Tennessee State University.

The move was announced in 2005, and the relocation was completed in 2006. After working out of temporary facilities in downtown Nashville, the company opened its new Nissan Americas campus in Franklin in 2008.

Previously, in 2004, the Nashville area added 31 company headquarters and major facilities representing more than 11,000 new jobs. That list included two companies with annual revenue of more than \$100 million: industrial filtration products maker Clarcor Inc. (NYSE: CLC) and Louisiana-Pacific Corp. (NYSE: LPX).

In the intervening years, Nashville twice was named the "hottest" city in the United States for business relocation or expansion by Expansion Management magazine, and the state ranked third on Site Selection magazine's 2007 Governor's Cup rankings.

Keith Herron, Mid-South region president for Regions Bank and co-chairman of the Nashville Area Chamber of Commerce's Partnership 2010 economic development initiative, said the national attention was unprecedented.

"What's happened is you have an economy that's made up of really a bunch of industries across the board," he said. "The city is attracting so many bright people with great ideas."

Regional growth

Matt Largen, director of the Williamson County Office of Economic Development, said five corporate relocations alone — Nissan, Mars Pet Foods, Healthways, Community Health Systems and Verizon Wireless' state headquarters — have created 5,700 jobs that didn't exist in Williamson in 2000.

The county also has suffered some losses. Some examples include PlusMark, a wholly owned subsidiary of American Greetings Corp., closing a Franklin plant in 2004 that 750 people worked at; Worthington Precision Metals closing a manufacturing plant in 2006, idling 117 workers; and Plastech Engineered Products doing the same in 2008 at a plant that employed 220 people.

But overall, Largen said it was a great decade for Williamson County, and he agreed that Nissan's move was the most important. In addition to the 1,300 high-paying jobs it brought to the county — which joined thousands more that already existed at the automaker's Smyrna manufacturing plant — Largen said the high-profile move has put Williamson County on the lists of other companies evaluating relocations that it never could have attracted before.

Wilson County also experienced tremendous growth over the course of the decade. Its population grew from about 89,000 in 2000 to more than 110,000 today. The growth occurred despite the loss of 1,000 Dell Inc. jobs to Nashville and Toshiba America Consumer Products closing a 1978 plant that employed as many as 1,200 people at its height.

But losses have been offset by industrial announcements from the likes of Kenwal Steel, Leviton, TACLE Seating U.S.A. and Permobil Inc., and gains in other sectors.